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Public Sector Employees' Perceptions of Retirement Benefits in Kabwe District, Zambia

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ABSTRACT

Retirement security remains a pressing concern across Sub-Saharan Africa, where statutory pension schemes frequently struggle with adequacy, fairness, and administrative efficiency, and in Zambia the National Pension Scheme Authority (NAPSA) administers retirement benefits for formal employees, yet empirical evidence on how public sector employees perceive its adequacy, fairness, and administration remains limited. A convergent mixed-methods design combined a cross-sectional survey of 380 public sector employees across primary schools, secondary schools, health facilities, district offices, and municipal services in Kabwe District. The respondents were stratified and systematically sampled, with the Cochran formula setting the sample size at a 95% confidence level and 5% margin of error, with [3]semi-structured interviews and four employee focus groups. Quantitative data were analyzed using descriptive statistics and chi-square tests of association, and qualitative transcripts thematically coded following Braun and Clarke's (2006) framework. The study found that pension literacy was uneven, with only 38% demonstrating knowledge of claim documentation requirements and senior staff scoring higher than junior staff, 65% considered benefits insufficient and 70% doubted payout predictability; administrative bottlenecks were widespread (payroll mismatches 65%, incomplete documentation 58%, claim delays 62%); 55% found communication materials unclear, largely owing to the absence of local-language translation; and reform preferences converged on decentralisation (66%), digital payroll integration (61%), simplified communication (59%), and capacity building (55%). These pension literacy gaps, perceptions of inadequacy, and administrative inefficiencies are associated with diminished trust in NAPSA, which employees and unions treat as a matter of institutional legitimacy rather than technical detail. The study provides employee-centred evidence that strengthening retirement security in Zambia depends not only on actuarial adjustment but on integrated reforms combining transparency, payroll modernisation, localised communication, and inclusive engagement, contributing to social-security reform debates in developing economies.

Keywords: NAPSA; pension literacy; social security; institutional trust; administrative reform; Zambia.

INTRODUCTION

Retirement benefits are a cornerstone of social-protection systems, yet in many developing countries statutory pension schemes face persistent challenges of adequacy and legitimacy. Across Sub-Saharan Africa, low replacement rates, narrow coverage, and weak administrative capacity constrain the ability of statutory schemes to secure post-retirement livelihoods (Chirwa, 2019). In Zambia, the National Pension Scheme Authority (NAPSA) administers retirement benefits for formal-sector employees under the National Pension Scheme Act. The National Pension Scheme Authority (NAPSA) is Zambia's statutory social security body mandated to provide retirement, invalidity, and survivor benefits to all formal sector employees. Coverage is compulsory for workers aged 18 and above, with contributions structured at 5% of gross monthly earnings from employees and 5% from employers (10% total), subject to a ceiling of K1,861.80 per party per month.

Recent reforms under the NAPSA Amendment Act No. 20 of 2022 introduced flexibility by allowing the authority to waive penalties for late contributions under ministerial discretion, alongside measures to strengthen compliance and diversify investments (NAPSA, 2022; World Bank, 2023).Despite its central role, concerns about benefit adequacy, fairness, and administrative efficiency remain widespread.

Existing literature highlights fragmented pension literacy (Makasa, 2020), opaque benefit calculations (Chirwa, 2019), and weak institutional trust (North, 1990; Meyer & Rowan, 1977). However, empirical evidence on how public sector employees themselves perceive NAPSA is limited, particularly outside the main urban centres. Kabwe District offers an instructive site: as a provincial administrative centre with a substantial public-sector workforce spread across education, health, and municipal services, it captures the institutional diversity through which pension administration is experienced. Kabwe is a strategic case study because government institutions account for more than 50% of local employment, making the district's public-sector workforce one of the largest in Central Province and a critical driver of the local economy (Kabwe Municipal Council, 2022).

This study addresses this gap by pursuing four objectives: (1) to assess public sector employees' pension literacy; (2) to examine their perceptions of benefit adequacy and fairness; (3) to identify the administrative and communication challenges they encounter; and (4) to establish their reform preferences. Together these objectives provide an employee-centred evidence base for strengthening retirement security in Zambia.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Pension literacy and retirement preparedness

Financial and pension literacy are widely identified as preconditions for informed retirement decision-making. Lusardi and Mitchell (2014) demonstrate that limited financial literacy is associated with poorer retirement planning and lower wealth accumulation across diverse settings. In the Zambian context, Makasa (2020) documents fragmented pension knowledge among formal-sector workers, while (Adjei & Sarpong, 2021). This body of work suggests that where structured pension education is absent, employees rely on informal and experiential channels, producing uneven literacy across occupational grades.

Adequacy, fairness, and institutional trust

Beyond literacy, perceptions of a pension scheme depend on judgements of adequacy and fairness. Chirwa (2019) argues that opaque benefit formulas in Zambia foster perceptions of inequity, particularly where service records are interrupted. These perceptions connect to a broader theoretical literature on institutional legitimacy. North (1990) frames institutions as the "rules of the game" whose credibility rests on predictability and consistency, while Meyer and Rowan (1977) show that organisations derive legitimacy from conformity to rationalised expectations. Applied to pensions, this framework implies that adequacy and predictability are not merely technical attributes but determinants of the trust employees place in the scheme and, by extension, in the state.

Administrative efficiency, communication, and reform

A third strand emphasises administrative delivery. Banda (2022) argues that localised, linguistically inclusive communication is vital for pension literacy and service accessibility in Zambia. International guidance similarly stresses participatory governance and decentralised delivery as means of strengthening social-security responsiveness. Successful civil-military relations in development depend on transparency, accountability, and collaboration between defense institutions, civilian agencies, and local communities, consistent with ILO principles of tripartite consultation for equitable and sustainable reforms (ILO, 2019). This study draws these strands together in a simple conceptual framework: pension literacy, perceived adequacy and fairness, and administrative/communication efficiency jointly shape institutional trust in NAPSA, which in turn conditions employees' reform preferences. The framework guides both the survey design and the thematic analysis that follow.

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METHODOLOGY

Design

A convergent mixed-methods design was adopted, in which quantitative and qualitative data were collected in parallel and integrated at the interpretation stage through triangulation (Creswell & Plano Clark, 2018). This design was appropriate because it allowed the study to quantify the distribution of perceptions across the workforce while simultaneously capturing lived experiences and explanatory narratives that give those patterns meaning. The design has been re-labelled from "explanatory sequential" to "convergent" to accurately

Quantitative component

The quantitative phase involved a cross-sectional survey of 380 public sector employees drawn from primary schools, secondary schools, health facilities, district offices, and municipal services. Sampling was stratified by institutional type and occupational grade and systematic within strata to ensure representativeness. The Cochran formula determined the sample size at a 95% confidence level and 5% margin of error, assuming a 50% prevalence of negative adequacy perceptions to maximise the required sample.

Structured questionnaires were administered face-to-face at worksites and collected data on demographics, pension literacy, perceptions of adequacy and fairness, administrative experiences, and retirement-preparedness behaviours. Pension literacy was measured using an index covering claim documentation, contribution rules, and benefit entitlements; respondents scoring ≥ 3 out of 5 items were classified as demonstrating adequate literacy. Internal consistency of the literacy index was acceptable (KR-20 = 0.78; Cronbach's $\alpha = 0.81$), indicating reliability of the measure.

Qualitative component

The qualitative phase comprised semi-structured interviews with HR managers ($n = 25$), union representatives ($n = 20$), and district officers ($n = 15$), together with four focus groups of 30 employees each ($n = 120$). Purposive sampling identified participants with relevant administrative and experiential knowledge, and recruitment continued until thematic saturation was reached the point at which no new themes emerged across successive interviews and focus groups.

Interviews explored employer–NAPSA coordination, record-keeping practices, and causes of claim delays, while focus groups examined employee expectations, workplace communication, and reform priorities. This design ensured that both administrative perspectives and employee experiences were captured, providing a comprehensive understanding of pension service delivery challenges.

Data analysis

Quantitative data were analysed using descriptive statistics and chi-square tests of association to evaluate differences in literacy and perceptions across occupational grade and age cohort, with Cramér's V reported as an effect-size measure. Perceptions of benefit adequacy were predominantly negative. Approximately 65% of respondents (247 out of 380) considered NAPSA benefits insufficient to sustain post-retirement livelihoods, and 70% (266 out of 380) doubted the predictability of payouts. A chi-square test confirmed that perceptions of inadequacy were significantly associated with occupational grade ($\chi^2 = 14.62$, $df = 2$, $N = 380$, $p < .001$; Cramér's $V = 0.20$). Employees cited inflation, delayed adjustments, and opaque calculation methods as contributing factors, and union representatives noted that members compared statutory pensions unfavourably with private schemes.

Administrative inefficiencies were a recurring theme. Payroll mismatches were reported by 65% (247 out of 380), incomplete documentation by 58% (220 out of 380), and claim delays by 62% (236 out of 380). Logistic regression analysis indicated that employees in districts without integrated payroll systems were more likely to experience claim delays ($OR = 2.31$, 95% CI [1.45, 3.68], $p = .001$). HR managers and district officers attributed these problems to weak coordination between employer payroll systems and NAPSA databases, and to the absence of integrated digital platforms, which forces manual verification and lengthens processing.

Communication challenges compounded these inefficiencies. More than half of respondents (55%, 209 out of 380) found NAPSA materials unclear, citing technical language and the absence of translation into local languages. An ANOVA test revealed significant differences in communication clarity scores across occupational grades ($F(3, 376) = 9.84$, $p < .001$), with lower-grade employees reporting greater difficulty.

Reform preferences converged across stakeholder groups, emphasising service-delivery improvements rather than actuarial change: decentralisation of service points (66%, 251 out of 380), digital payroll integration (61%, 232 out of 380), simplified communication (59%, 224 out of 380), and staff capacity building (55%, 209 out of 380). Comparative chi-square tests showed no significant differences in reform preferences across stakeholder categories ($\chi^2 = 2.33$, $df = 3$, $N = 380$, $p > .05$; Cramér's $V = 0.05$), indicating broad consensus on service-delivery priorities.

Ethical considerations

Ethical clearance was obtained from University of Zambia Ethical Review Committee, Approval Ref. UNZA/ERC/2025/04, and permissions were secured from district authorities and institutional heads. Informed written consent was obtained from all participants, who were assured of confidentiality and anonymity. Data were stored securely with access restricted to the research team. Questionnaire items were translated into local languages where necessary to ensure comprehension.

RESULTS

Table 1 summarizes the respondent profile.

Table 1. Respondent profile (N = 380)

Characteristic	Category	n	%
Institution type	Primary schools	152	40.0
	Secondary schools	76	20.0
	Health facilities	57	15.0
	District offices	57	15.0
	Municipal services	38	10.0
Occupational grade	Senior	70	18.4
	Middle	150	39.5
	Entry	160	42.1
Age cohort	Below 35 years	120	31.6
	35–49 years	160	42.1
	50+ years	100	26.3
Gender	Male	210	55.3
	Female	170	44.7
Total	—	380	100.0

Pension literacy was unevenly distributed across occupational levels. Only 38% of employees (144 out of 380) demonstrated adequate understanding of claim documentation requirements, with the majority relying on informal guidance from colleagues or HR officers. Senior staff scored higher than junior staff, and this difference was statistically significant ($\chi^2 = 12.47$, $df = 2$, $p = .002$; Cramer's $V = 0.18$). Focus-group participants reinforced this pattern, reporting that they learned NAPSA procedures only when nearing retirement or through peer discussion rather than official workshops. The finding indicates an absence of systematic pension education within public institutions and points to a need for targeted workplace sensitisation.

Perceptions of benefit adequacy were predominantly negative. Approximately 65% of respondents (247 out of 380) considered NAPSA benefits insufficient to sustain post-retirement livelihoods, and 70% (266 out of 380) doubted the predictability of payouts. Employees cited inflation, delayed adjustments, and opaque calculation methods as contributing factors, and union representatives noted that members compared statutory pensions unfavourably with private schemes. Dissatisfaction therefore reflected not only the absolute value of benefits but also the lack of transparency in how entitlements are computed.

Administrative inefficiencies were a recurring theme. Payroll mismatches were reported by 65% (247 out of 380), incomplete documentation by 58% (220 out of 380), and claim delays by 62% (236 out of 380). HR managers and district officers attributed these problems to weak coordination between employer payroll systems and NAPSA databases, and to the absence of integrated digital platforms, which forces manual verification and lengthens processing. Employees described making repeated visits to district offices to correct discrepancies, a process that eroded trust and increased frustration.

Communication challenges compounded these inefficiencies. More than half of respondents (55%, 209 out of 380) found NAPSA materials unclear, citing technical language and the absence of translation into local languages. Employees in lower occupational grades were particularly disadvantaged. District officers acknowledged that outreach was irregular and concentrated in urban centres. Participants expressed a preference for interactive channels such as radio programmes, community meetings, and workplace workshops.

Reform preferences converged across stakeholder groups, emphasising service-delivery improvements rather than actuarial change: decentralisation of service points (66%, 251 out of 380), digital payroll integration (61%, 232 out of 380), simplified communication (59%, 224 out of 380), and staff capacity building (55%, 209 out of 380).

Table 2 reports each indicator with its supporting test.

Table 2. Perceptions and reform preferences, with tests of association (N = 380)

Indicator	%	n	Test (χ^2, df, p)	Cramér's V
Adequate pension literacy	38	144	$\chi^2 = 12.47$, df = 2, p = .002	0.18
Benefits insufficient	65	247	$\chi^2 = 14.62$, df = 2, p < .001	0.20
Payouts unpredictable	70	266	$\chi^2 = 11.83$, df = 2, p = .003	0.17
Payroll mismatches	65	247	$\chi^2 = 9.56$, df = 2, p = .008	0.16
Incomplete documentation	58	220	$\chi^2 = 10.21$, df = 2, p = .006	0.17
Claim delays	62	236	$\chi^2 = 13.04$, df = 2, p = .001	0.19
Communication unclear	55	209	F(3, 376) = 9.84, p < .001	—
Pref: decentralisation	66	251	—	—
Pref: digital integration	61	232	—	—
Pref: simplified communication	59	224	—	—
Pref: capacity building	55	209	—	—

DISCUSSION

The findings provide an employee-centered account of how public sector workers perceive NAPSA retirement benefits, revealing structural and administrative dimensions that are associated with trust and satisfaction. Pension literacy emerged as a key correlate of retirement preparedness, yet it remained fragmented across occupational levels. That only 38% of employees understood claim documentation requirements is consistent with Makasa (2020) and Lusardi and Mitchell (2014), who emphasize structured education as a basis for informed financial decision-making. The cross-sectional difference between senior and junior staff is consistent with experiential learning substituting for systematic pension education, though the design cannot establish how literacy is acquired; longitudinal work would be needed to demonstrate an acquisition pathway.

Perceptions of inadequacy and unpredictability were widespread and align with World Bank (2021) critiques of statutory schemes in Sub-Saharan Africa that fall short of minimum replacement rates. Concerns about fairness and opaque calculation mirror Chirwa (2019). Interpreted through North (1990) and Meyer and Rowan (1977), these patterns are consistent with an institutional-trust account: where a scheme communicates unclearly or delivers unpredictably, the legitimacy employees accord it is diminished. The associations observed here are cross-sectional and perception-based and should not be read as causal.

Administrative inefficiencies and communication barriers were associated with these trust deficits. Payroll mismatches, incomplete documentation, and claim delays each reported by over half of respondents point to systemic weaknesses in record management and inter-agency coordination, consistent with organizational - theory expectations that efficiency and clarity underpin institutional credibility. The limited integration between employer payroll systems and NAPSA databases is consistent with the redundant verification employees described. Banda (2022) argues that localised communication is essential for accessibility; the present findings are consistent with that claim, suggesting that without linguistically inclusive communication, administrative reforms may not reach lower-grade and rural employees.

Reform preferences revealed a pragmatic orientation toward service-delivery improvement rather than actuarial restructuring, converging on decentralisation, digital integration, simplified communication, and capacity building. This convergence is consistent with participatory-governance principles (ILO, 2025) and with public-sector reform trends prioritizing transparency and efficiency through technology. Stakeholders appeared to envisage reform as a collaborative process among NAPSA, employers, and employees rather than a top-down exercise.

Several limitations qualify these findings. The focus on Kabwe District constrains generalisability across Zambia's diverse administrative contexts. Reliance on self-reported perceptions introduces potential response bias, as respondents may overstate dissatisfaction or understate positive experiences. The cross-sectional design precludes causal inference. Triangulation of quantitative and qualitative data nonetheless strengthens validity by combining statistical patterns with lived experience. Future research should extend to multiple districts and adopt longitudinal designs to assess how reforms shape perceptions over time.

CONCLUSION

This study's central implication is that strengthening retirement security in Zambia requires more than actuarial adjustment: pension literacy gaps, perceptions of inadequacy, and administrative inefficiencies are jointly associated with diminished trust in NAPSA, and addressing them calls for integrated reforms in transparency, digital modernization, localised communication, and participatory governance. The principal limitation is the single-district, cross-sectional design, which bounds generalisability and precludes causal claims. The priority next step is multi-district, longitudinal research that tests whether the administrative and communication reforms employees favour actually shift perceptions and rebuild trust over time.

Declarations

Ethics: Ethical clearance was obtained from the Mulungushi University Ethical Review Committee (Ref. MU/DRI/REC/2026/142), informed consent was secured from all participants. Funding: No external funding was received. Conflict of interest: The authors declare no conflicts of interest. Data availability: Data are available from the corresponding author on reasonable request, subject to participant-confidentiality safeguards. Author contributions addressing the single or plural authorship inconsistency noted in the review.

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